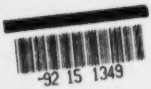

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EXECUTED

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

RECD S.E.C.
MAY 15 1992
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(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ending March 31, 1992

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

PROCESSED BY
13-13-V
MAY 18 1992

Commission File Number 0-19129

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

POINSETT FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

South Carolina	57-0916588
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

L30

203 State Park Road, P.O. Box 1045
Travelers Rest, South Carolina 29690-1045
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (803)834-4135

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of May 13, 1992;

Common Stock, $0.01 par value	163,639
Class	Number of Shares

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POINSETT FINANCIAL CORPORATION

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POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of March 31, 1992 and September 30, 1991

	March 31, 1992 (unaudited)	Sept. 30, 1991
ASSETS		
Cash (principally interest bearing overnight deposits)	$ 1,638,073	$ 1,427,309
Investment securities	0	761,750
Loans receivable, net	30,111,362	30,326,893
Office properties and equipment, net	306,336	330,032
Real estate:		
Held for development and sale	1,644,223	1,452,994
Acquired in settlement of loans	214,130	41,393
Federal Home Loan Bank Stock	380,900	367,700
Accrued interest receivable	194,216	187,852
Other assets	447,723	401,824
Total assets	$ 34,936,963	$ 35,297,747
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposit accounts	$ 29,956,244	$ 30,305,410
Advances from Federal Home Loan Bank	0	1,500,000
Notes payable	1,355,202	107,214
Accounts payable	52,234	41,942
Income taxes payable:		
Current	35,749	35,749
Deferred	128,864	84,160
Other liabilities		
Total liabilities	31,528,292	32,074,475
STOCKHOLDERS' EQUITY		
Preferred stock; authorized 5,000,000 shares; none outstanding		
Common stock; $0.01 par value; authorized 15,000,000 shares, outstanding 163,639	1,636	1,636
Additional paid-in capital	1,155,985	1,155,985
Retained income-substantially restricted	2,251,050	2,065,651
Total Stockholders' Equity	3,408,671	3,223,272
Total Liabilities and Stockholders' Equity	$ 34,936,963	$ 35,297,747

See notes to Consolidated Financial Statements

POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 1992 and 1991

	THREE MONTHS ENDED March 31, 1992 (unaudited)	1991 (unaudited)
INVESTMENT INCOME:		
Interest and fees on loans	$ 733,641	$ 723,886
Interest and dividends on investment securities, etc.	35,148	49,753
Total interest income	768,789	773,639
INTEREST EXPENSE:		
Savings accounts	401,735	502,436
Advances and other borrowings	19,741	36,656
Total interest expense	421,476	539,092
Net interest income	347,314	234,547
Provision for loan losses	22,179	10,363
	325,135	224,184
OTHER INCOME:		
Appraisal fees & service charges	6,497	4,833
Insurance commissions	77,523	67,836
Gain on sale of investment securities	53,353	0
Gain on sales of real estate	0	1,040
Other	3,863	18,967
Total other income	141,235	92,676
COSTS AND EXPENSES:		
Salaries and employee benefits	138,735	122,043
Occupancy and equipment expense	32,705	29,793
Federal insurance premiums	15,997	10,650
Advertising, office supplies, printing & computer services	38,732	31,682
Other expense	70,154	56,957
Total costs and expenses	296,323	251,125
INCOME BEFORE INCOME TAXES	170,047	65,735
INCOME TAX EXPENSE	59,000	19,250
NET INCOME	$ 111,047	$ 46,485
NET INCOME PER SHARE	$ .68	$ .28
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	163,639	163,639

See notes to consolidated financial statements

POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 1992 and 1991

	SIX MONTHS ENDED March 31, 1992	1991 (unaudited)
INVESTMENT INCOME:		
Interest and fees on loans	$1,481,518	$1,451,066
Interest and dividends on investment securities, etc.	77,199	106,009
Total interest income	1,558,717	1,557,075
INTEREST EXPENSE:		
Savings accounts	858,495	1,023,333
Advances and other borrowings	53,835	86,644
Total interest expense	912,330	1,109,977
Net interest income	646,387	447,098
Provision for loan losses	31,179	10,363
	615,208	436,735
OTHER INCOME:		
Appraisal fees & service charges	14,918	13,027
Insurance commissions	139,437	126,016
Gain on sale of investment securities	53,353	0
Gain on sales of real estate	19,314	49,610
Other	7,446	23,438
Total other income	234,468	212,091
COSTS AND EXPENSES:		
Salaries and employee benefits	273,807	221,142
Occupancy and equipment expense	62,221	56,418
Federal insurance premiums	31,580	28,288
Advertising, office supplies, printing & computer services	70,127	63,722
Other expense	127,378	112,426
Total costs and expenses	565,113	481,996
INCOME BEFORE INCOME TAXES	284,563	166,830
INCOME TAX EXPENSE	99,164	50,695
NET INCOME	$ 185,399	$ 116,135
NET INCOME PER SHARE	$ 1.13	$ .71
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	163,639	163,639

See notes to consolidated financial statements

POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 1992 and 1991

	THREE MONTHS ENDED March 31, 1991	1990 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 114,047	$ 69,650
Depreciation	17,563	12,714
Increase <decrease> in income taxes currently payable	0	13,765
<Increase> decrease in other assets	< 85,494>	< 83,426>
Increase in accrued interest receivable	2,390	< 8,275>
Increase <decrease> in accounts payable and other liabilities	52,846	< 15,237>
Net cash provided <used> by operating activities	98,352	< 10,809>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net <increase> decrease in loans	493,344	1,199,497
Proceeds from sale of mortgage backed securities	746,013	0
Principal on mortgage backed participation certificates	0	9,280
Purchase of property, plant, & equipment	< 5,045>	< 19,196>
Purchase of Federal Home Loan Bank Stock	< 6,500>	< 7,200>
Cash disbursed for real estate held for development and sale	< 171,999>	< 59,246>
Increase in real estate acquired in settlement of loans	< 170,639>	0
Net cash <used> provided by investing activities	885,174	1,123,135
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in deposit accounts	< 194,997>	< 36,562>
Repayment of advances from Federal Home Loan Bank	<2,550,000>	0
Repayment of notes payable	< 17,873>	< 25,000>
Proceeds from note payable	1,300,000	33,892
Net cash used by financing activities	<1,462,870>	< 27,670>
NET INCREASE <DECREASE> IN CASH AND CASH EQUIVALENTS	< 479,346>	1,084,656
CASH AT BEGINNING OF PERIOD	2,117,419	1,612,687
CASH AT END OF PERIOD	$ 1,638,073	$ 2,697,343
SUPPLEMENTAL CASH FLOWS DISCLOSURE:		
Interest paid	$ 399,345	$ 521,887
Income taxes paid	19,500	18,000

See notes to consolidated financial statements

POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Six Months Ended March 31, 1992 and 1991

	SIX MONTHS ENDED March 31, 1992	1991
		(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 185,399	$ 69,650
Depreciation	32,321	12,714
Increase <decrease> in income taxes currently payable	0	13,765
<Increase> decrease in other assets	< 45,899>	< 83,426>
Increase in accrued interest receivable	< 6,364>	< 8,275>
Increase <decrease> in accounts payable and other liabilities	54,995	< 15,237>
Net cash provided <used> by operating activities	220,452	< 10,809>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net <increase> decrease in loans	215,531	1,199,497
Proceeds from sale of mortgage backed securities	746,013	0
Principal on mortgage backed participation certificates	15,737	9,280
Purchase of property, plant, & equipment	< 8,625>	< 19,196>
Purchase of Federal Home Loan Bank Stock	< 13,200>	< 7,200>
Cash disbursed for real estate held for development and sale	< 191,229>	< 59,246>
Increase in real estate acquired in settlement of loans	< 172,737>	0
Net cash provided by investing activities	591,490	1,123,135
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in deposit accounts	< 349,166>	< 36,562>
Proceeds from advances from Federal Home Loan Bank	1,050,000	0
Repayment of advances from Federal Home Loan Bank	< 2,550,000>	0
Repayment of notes payable	< 52,012>	< 25,000>
Proceeds from note payable	1,300,000	33,892
Net cash used by investing activities	< 601,178>	< 27,670>
NET INCREASE IN CASH AND CASH EQUIVALENTS	210,764	1,084,656
CASH AT BEGINNING OF PERIOD	1,427,309	1,612,687
CASH AT END OF PERIOD	$ 1,638,073	$ 2,697,343
SUPPLEMENTAL CASH FLOWS DISCLOSURE:		
Interest paid	$ 895,900	$ 521,887
Income taxes paid	19,500	18,000

See notes to consolidated financial statements

POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(1) HOLDING COMPANY FORMATION

On February 28, 1991, Poinsett Federal Savings and Loan Association of Travelers Rest ("Poinsett Federal" or the "Association") became the wholly-owned subsidiary of Poinsett Financial Corporation (the Parent Company) and each share of common stock of the Association became by operation of law one share of common stock of the Parent Company. The holding company reorganization of Poinsett Federal was accounted for by the pooling of interests method as required by Generally Accepted Accounting Principles. Costs of the reorganization, which totaled approximately $68,000 were capitalized and are being amortized over a five year period.

(2) ORGANIZATION AND BASIS OF PRESENTATION The accompanying unaudited consolidated financial statements were prepared in accordance with instructions for Form 10-Q and therefore do not include all disclosures necessary for a complete presentation of financial condition, results of operations, and cash flows in conformity with generally accepted accounting principles. However, all adjustments which are, in the opinion of management, necessary for fair presentation of the interim financial statements have been included. All such adjustments were of a normal recurring nature. Certain amounts during fiscal 1990 have been reclassified in the accompanying consolidated financial statements to conform with the fiscal 1991 presentation. The results of operations for the three months ended December 31, 1991 are not necessarily indicative of the results which may be expected for the entire fiscal year.

(3) PRINCIPLES OF CONSOLIDATION The accompanying consolidated financial statements include the accounts of the Parent Company, the Association and the Association's wholly-owned subsidiary, Poinsett Service Corporation. Material intercompany balances and transactions have been eliminated in consolidation.

(4) EARNINGS PER SHARE Net income per share is based upon the weighted average number of common shares outstanding. Dual presentation of net income per share is omitted due to the insignificance of the dilutive effect of outstanding stock options.

(5) REVENUE AND COST RECOGNITION ON CONSTRUCTION CONTRACTS Contract revenues from firm-price and guaranteed maximum contracts are reported on the completed contract method. In all cases, although income is not recognized until completion of the contract, provisions for expected losses are recognized when it becomes evident that a loss on the contract is apparent. Contract costs include all direct material, labor, and subcontractor costs and those indirect costs related to contract performance, such as indirect labor, equipment rental, tools and supplies. General and administrative costs are charged to expense as incurred.

(6) REAL ESTATE ACQUIRED IN SETTLEMENT OF LOANS Real estate acquired in the settlement of loans is appraised at acquisition and is initially recorded at the lower of cost or estimated fair value. Thereafter, real estate acquired in the settlement of loans at the lower of cost

or net realizable value. Accrued interest on the related loan at the date of acquisition is charged to operations, and interest accruals cease thereafter. In determining the net realizable value, the Parent Company deducts from the estimated selling price the projected cost to complete and dispose of the property and the estimated cost (i.e., interest, property taxes, etc.) to hold the property to an expected date of sale.

POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES On August 9, 1989, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) was signed into law. Among other things under FIRREA (i) insurance premiums paid by institutions insured by the Savings Association Insurance Fund administered by the Federal Deposit Insurance Corporation will increase to 0.23% of insured deposits during the period beginning January 1, 1991 and ending December 31, 1993, and thereafter decrease; (ii) the Office of Thrift Supervision ("OTS") has adopted regulations requiring capital levels for thrift institutions that are significantly higher than those previously in effect; (iii) the Qualified Thrift Lender Test will require that qualifying investments (primarily housing-related loans) constitute 70% of portfolio assets and the definition of liquidity is amended. The Federal Deposit Insurance Corporation Act of 1991 amended the Qualified Thrift Lender Test to require that such qualifying investments constitute 65% of portfolio assets. To the extent that the new requirements of FIRREA are known to the association as of the date hereof, management anticipates that such requirements will not have a material adverse effect on the operating results of the Association and that the Association will be able to comply with FIRREA. As required by FIRREA, the director of OTS has adopted new capital standards that require savings Associations to satisfy three different capital requirements. Under the new standards, savings associations must maintain "tangible" capital equal to 1.5% of adjusted total assets; "core" capital equal to 3% of adjusted total assets; and a combination of core and "supplementary" capital equal to 6.4% of "risk-weighted" assets rising to 8% of risk-weighted assets after a transition period ending on December 31, '992. As of March 31, 1992, the Association is in compliance with its current capital requirements and has both tangible and core capital of approximately $3.4 million or 9.8%. In determining compliance with the risk-based capital requirement, a savings association is allowed to use both core capital and supplementary capital provided the amount of supplementary capital used does not exceed the savings association's core capital. Supplementary capital is defined to include certain preferred stock issues, nonwithdrawable accounts and pledged deposits that do not qualify as core capital, certain approved subordinated debt, certain other capital instruments and a portion of the savings association's general loss reserves. Total core and supplementary capital are reduced by an amount equal to the association's high loan to value ratio land loans and non-residential construction loans and the amount of capital instruments held by other depository institutions pursuant to reciprocal arrangements as well as by an increasing percentage of the association's equity investments. The risk-based capital requirement is measured against risk-weighted assets which equals the

sum of each asset and the credit-equivalent amount of each off-balance sheet item after being multiplied by an assigned risk weight. Under the OTS risk-weighted system, one to four family first mortgages not more than 90 days past due with loan to value ratios under 80% are assigned a risk weight of 50%. Consumer and residential construction loans are assigned a risk weight of 100%. Mortgage-backed securities issued or fully guaranteed as to principal and interest, by the FNMA or FHLMC are assigned a 20% risk weight. Cash and U.S. Government securities backed by the full faith and credit of the U.S. Government are 0% risk weight. As of March 31, 1992 the Association's risk-weighted assets were approximately $21.4 million and its total capital was approximately $3.3 million, or 15.4% of risk-weighted assets.

During the quarter ended March 31, 1992 the Corporation's total assets decreased by approximately $552,000. The Corporation's net loans receivable balance decreased by approximately $215,000 and the Corporation's cash balance increased by $210,000. The Corporation's mortgage backed securities totaling $746,000 were sold during the quarter. Also during the quarter an intercompany loan totaling $1,100,000 between Poinsett Federal Savings and Loan Association and its "non-includable" subsidiary was paid off. The subsidiary borrowed from a third party the funds to replace the amount paid to the Association thus the increase of approximately $1,100,000. With the funds from the loan payoff and the sale of the mortgage backed securities the Association repayed all advances ($2,550,000) to the Federal Home Loan Bank.

OPERATIONS-QUARTER ENDED MARCH 31, 1992 COMPARED TO THE QUARTER ENDED MARCH 31, 1991

INTEREST INCOME Interest income increased from the comparative quarter by $4,850 to a total of $768,789 or a decrease of .6% from period to period. The slight decrease was primarily due to an increase in the average loan receivable balance from period to period being offset by a lower yield on the interest earning asset balance. The yield on loans receivable was 9.66% for the quarter ended March 31, 1992 as compared to 10.00% for the quarter ended March 31, 1991. Interest and dividends on investment securities decreased by $14,605 from period to period due primarily to the sale of the Association's mortgage backed securities in early January and a decrease in the rate received on short term investments from the comparative quarter.

INTEREST EXPENSE Interest expense on deposit accounts decreased by $100,701 or approximately 20.0% from the same period the previous year. This decrease in interest expense was due to the average cost of deposits decreasing from 6.97% for the quarter ended March 31, 1991 to 5.35% for the quarter ended March 31, 1992. Interest expense on advances decreased $16,915 from the comparative period due to a decrease in the cost of borrowing funds from the Federal Home Loan Bank of Atlanta.

OTHER INCOME AND EXPENSE Total other income increased by $48,559 from $92,676 for the quarter ended March 31, 1991 to $141,235 for the quarter ended March 31, 1992. The Association recognized a $53,353 gain on the sale of its mortgage backed securities during the comparative quarter. Slightly offsetting the one time gain on the sale of mortgage backed securities was a decrease in other income of $15,104 from the comparative quarter. Total other expenses increased by $45,198 from period to period primarily due to increases in salaries and employee benefits of $16,692 and other expenses of

$13,197. Other expenses increased due to the rising costs of insurance and surety bonds and costs associated with acquiring the Association's new branch office facility. Salaries and employee benefits increased due to an increase of the number of personnel and also due to the approximate 5% merit salary increases.

INCOME TAX EXPENSE Income tax expense increased by $39,750 from $19,250 for the quarter ended March 31, 1991 to $59,000 for the quarter ended March 31, 1992. The increase is due to a higher pre-tax income of $170,047 as compared to $65,735 for the comparative quarter and a higher effective tax rate of 34.7% for the quarter ended March 31, 1992 as compared to 29.3% for the quarter ended March 31, 1991.

SIX MONTHS ENDED MARCH 31, 1992 COMPARED TO THE SIX MONTHS ENDED MARCH 31, 1992

INTEREST INCOME Interest income increased by $30,452 from $1,451,066 for the six months ended March 31, 1991 to $1,481,518 for the six months ended March 31, 1992 an increase of 2.1%. The increase was despite a decrease in the average yield on loans from 10.01% for the six months ended March 31, 1991 to 9.76% for the six months ended March 31, 1992. The average loan balance increased to $30,347,654 for the comparative quarter. Interest and dividends on investment securities decreased $28,810 due to a significantly lower yield on these types of interest bearing assets.

INTEREST EXPENSE Interest expense for the comparative period decreased $197,646 or 17.8%. This was primarily due to a decrease in the cost of deposits from 7.02% for the six months ended March 31, 1991 to 5.70% for the six months ended March 31, 1992. Interest expense on advances decreased $32,808 due to a decrease in the average balance of advances at the Federal Home Loan Bank of Atlanta and the average advance rate.

OTHER INCOME AND EXPENSE Total other income increased by $22,374 for the six months ended March 31, 1992 to $234,465 from $212,091 for the six months ended March 31, 1991. During the quarter ended March 31, 1992 the Association sold its mortgage backed securities portfolio for a one time gain of $53,353. This increase was offset by a decrease in the gain on sale of real estate of $30,296. This decrease was due to the Association's land development subsidiary not moving as many units as during the comparative period. Total other expense increased by $83,117 from period to period, an increase of 17.2% primarily due to increases in salaries and employee benefits of $52,665, occupancy and equipment expense of $5,803 and advertising, office supplies and computer services of $6,405. Salaries and employee benefits increased due to increasased personnel and increases in the cost of employee benefits. Occupancy expenses increased due to increases in the costs associated with maintaining the Corporation's fixed assets.

INCOME TAX EXPENSE Income tax expense increased to $99,164 for the six months ended March 31, 1992 from $50,695 for the six months ended March 31, 1991. Income tax expense increased due to an increase in income before income taxes from $166,830 to $284,560 for the comparative period.

POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES
PART II. OTHER INFORMATION

Item 1. Legal Proceedings
The Corporation is not party to any material legal proceedings at this time.

Item 2. Changes in Securities
Not applicable.

Item 3. Defaults Upon Senior Securities
Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders
Not applicable.

Item 5. Other Materially Important Events
On March 27, 1992 the Association received from the Office of Thrift Supervision permission to establish a branch office at 210 Brendan Way in Greenville, South Carolina.

Item 6. Exhibits and Reports on Form 8-K
(a) Exhibits: None
(b) Reports on Form 8-K: No current reports on Form 8-K were filed during the quarter ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

POINSETT FINANCIAL CORPORATION AND SUBSIDIARIES

By: _____
James D. King
President and Chief Executive Officer

Date: May 15, 1992

By: _____
Edward R. Blakemore, Jr.
Chief Financial Officer

Date: May 15, 1992